

116TH CONGRESS  
2D SESSION

# H. R. 8831

To codify the denial of export privileges and related provisions under title 15, Code of Federal Regulations.

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## IN THE HOUSE OF REPRESENTATIVES

DECEMBER 2, 2020

Mr. BUCK introduced the following bill; which was referred to the Committee on Foreign Affairs

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## A BILL

To codify the denial of export privileges and related provisions under title 15, Code of Federal Regulations.

1       *Be it enacted by the Senate and House of Representa-*  
2       *tives of the United States of America in Congress assembled,*

3 **SECTION 1. FINDINGS.**

4       Congress finds the following:

5           (1) The Founders of the United States viewed  
6       intellectual property rights as fundamental rights  
7       that must be protected by the government.

8           (2) Article I, section 8, clause 8 of the United  
9       States Constitution affirmatively defends the individual's right to protect intellectual property by grant-

1       ing Congress power “to promote the Progress of  
2       Science and Useful arts, by securing, for limited  
3       Times, to Authors and Inventors, the exclusive Right  
4       to their respective Writings and Discoveries”.

5                 (3) The Commission on the Theft of American  
6       Intellectual Property estimates that intellectual  
7       property theft costs the United States economy ap-  
8       proximately \$600 billion annually.

9                 (4) A March 1, 2019, CNBC poll found that  
10       one-in-five United States corporations say that  
11       China has stolen proprietary intellectual property  
12       within the last year and one-in-three United States  
13       corporations state that China has stolen their intel-  
14       lectual property within the last decade.

15                 (5) The Commission on the Theft of American  
16       Intellectual Property further reports that China’s in-  
17       dustrial policies call for the “absorption, digestion,  
18       and re-innovation of foreign intellectual property to  
19       meet the Made in China 2025 goal of 40 percent  
20       self-sufficiency by 2020 and 75 percent by 2025”.

21                 (6) The Chinese Government remains the  
22       world’s principle source of intellectual property theft.

23                 (7) China engages in foreign ownership restric-  
24       tions that include joint venture requirements and ad-  
25       ministrative reviews that pressure United States

1 companies to transfer intellectual property and pro-  
2 prietary technology to Chinese companies.

3 (8) China imposes harmful contractual obliga-  
4 tions on United States companies seeking to license  
5 their proprietary technology to Chinese-based firms  
6 and is engaged in a purposeful and unfair practice  
7 of acquiring United States businesses to generate  
8 technology transfers.

9 (9) The Chinese Government is engaged in  
10 cyber attacks against United States businesses, mili-  
11 tary installations, and government entities, including  
12 the United States Office of Personnel Management,  
13 resulting in the theft of untold proprietary informa-  
14 tion and commercial trade secrets.

15 (10) China is undertaking the “greatest intel-  
16 lectual property theft in human history” according  
17 to Secretary of Defense Mark Esper.

18 (11) Congress must take bold action to combat  
19 the Chinese Government’s concerted efforts to per-  
20 petrate cyber attacks against United States entities  
21 and steal United States intellectual property.

22 (12) Denial orders are issued by the Assistant  
23 Secretary of Commerce for Export Enforcement of  
24 the Bureau of Industry and Security to deny the ex-  
25 port privileges of an entity or individual. A denial of

1 export privileges prohibits the person from participating  
2 in any way in any transaction subject to the  
3 Export Administration Regulations (EAR). Further-  
4 more, it is unlawful for any other entity or individual  
5 to participate in any way in an export trans-  
6 action subject to the EAR with a person subject to  
7 a denial order.

## 16 SEC. 2. SENSE OF CONGRESS.

17 It is the sense of Congress that—

18                             (1) denial orders are an important foreign pol-  
19         icy tool to use against foreign entities and individ-  
20         uals, especially Chinese persons, with a pattern of  
21         violating United States laws, especially laws relating  
22         to intellectual property; and

**1 SEC. 3. STRATEGY.**

2 Not later than one year after the date of the enact-  
3 ment of this Act, the Secretary of Commerce, in consulta-  
4 tion with the Secretary of State, the Secretary of Treas-  
5 ury, and Attorney General, shall submit to Congress a  
6 strategy regarding how denial orders issued by the Bureau  
7 of Industry and Security of the Department of Commerce  
8 to deny the export privileges of foreign entities and indi-  
9 viduals, especially entities and individuals located in  
10 China, can be better utilized as part of a holistic approach  
11 to hold such entities and individuals accountable for theft  
12 of United States intellectual property.

**13 SEC. 4. CODIFICATION OF DENIAL OF EXPORT PRIVILEGES  
14 AND RELATED PROVISIONS UNDER TITLE 15,  
15 CODE OF FEDERAL REGULATIONS.**

16 The provisions of part 730 of title 15, Code of Fed-  
17 eral Regulations, relating to general information, and sec-  
18 tion 766.25 of such title, relating to administrative action  
19 denying export privileges, are hereby enacted into law.

